

**In the United States Bankruptcy Court
for the
Southern District of Georgia
Savannah Division**

FILED
at 9 O'clock & 14 min A M
Date 1/20/05

MICHAEL F. McHUGH, CLERK
United States Bankruptcy Court
Savannah, Georgia *LB*

In the matter of:)	
)	
FRIEDMAN'S, INC., et al.,)	Chapter 11 Case
)	
<i>Debtors</i>)	Number <u>05-40129</u>
)	Joint Administration Pending

**INTERIM ORDER PROVIDING FOR ADMINISTRATIVE EXPENSE
TREATMENT FOR CERTAIN HOLDERS OF VALID RECLAMATION
CLAIMS AND PROHIBITING THIRD PARTIES FROM
INTERFERING WITH THE DEBTORS' DELIVERY OF GOODS**

Upon the motion dated January 18, 2005 (the "Motion"),¹ wherein Friedman's, Inc. ("Friedman's") and seven of its subsidiaries and affiliates (the "Affiliate Debtors"), debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors") moved for entry of an interim order, pursuant to sections 105(a), 362, 503(b), and 546(c) of the Bankruptcy Code, providing for administrative expense treatment for holders of valid reclamation claims (the "Sellers"), and prohibiting them from interfering with the Debtors' delivery or possession of goods and products (the "Goods") and all as more full set forth in the Motion; the Court finds that (i) it has jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. §§ 157 and 1334; (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (iii) the relief requested in the Motion is in the best interests of the Debtors, their estates and their creditors; (iv) under the circumstances, proper and adequate notice of the Motion and the hearing thereon has been given and that

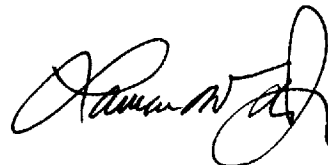
¹ Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Motion.

no other or further notice is necessary; and (v) upon the record herein after due deliberation thereon good and sufficient cause exists for the granting of the relief as set forth herein.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

1. The Motion is GRANTED to the extent set forth herein.
2. Sellers of Goods shall be entitled to administrative expense claims for the value of Goods received, accepted and not returned to the Seller by the Debtors, if and to the extent that the Seller has a valid reclamation claim and has made a valid, written reclamation demand for such Goods in accordance with section 546(c) of the Bankruptcy Code and O.C.G.A. section 11-2-702, the amount and method of payment of such administrative expense claims to be determined by the Court or pursuant to global reclamation procedures authorized by the Court.
3. In accordance with section 362 of the Bankruptcy Code, Sellers and all other third parties are not permitted to, and are hereby prohibited from, interfering in any way with the postpetition shipment, delivery or possession of Goods to the Debtors on account of such reclamation claims.

This Interim Order will remain in full force and effect unless and until modified by any Final Order obtained by Debtor or a Seller.



Lamar W. Davis, Jr.
United States Bankruptcy Judge

Dated at Savannah, Georgia

This 19th day of January, 2005.